



## Audit and Performance Systems Committee

<b>Report Title</b>	Internal Audit – Transformational Funding
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<b>Report Number</b>	HSCP.17.120
<b>Date of Report</b>	6 February 2018
<b>Date of Meeting</b>	2 March 2018

### 1: Purpose of the Report

The purpose of this report is to present the outcome from the planned audit of Transformational Funding that was included in the 2017/18 Internal Audit Plan for the Integration Joint Board.

### 2: Summary of Key Information

Funding of over £33 million from the Scottish Government's Integrated Care and Delayed Discharge Funds has been earmarked for 2016/17 – 2018/19 to be used to transform the way services are delivered through the partnership of Aberdeen City Council and NHS Grampian in conjunction with Care Organisations in the independent and third sectors. A high level three-year £13.6 million Transformation Programme was approved by the Integrated Joint Board (IJB) at its first meeting on 26 April 2016. Transformational funds are being used to deliver projects in six key areas which are central to the partnership's objectives including:

- Acute Care at Home;
- Supporting Self-Management of Long Term Conditions and Building Community Capacity;
- Modernising Primary and Community Care;
- Culture Change / Organisational Change;
- Strategic Commissioning and Development of Social Care; and
- Information and Communication Technology, Infrastructure, and Data Sharing.



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The objective of this audit was to ensure appropriate governance is in place to manage delivery of funded projects and the use of transformational funds.

Officers have noted that the transformational project management process has been iterative, with improved and more efficient governance arrangements being developed as programme management capacity has increased and programmes have progressed. This was evident in the business cases and supporting documentation for projects reviewed by Internal Audit, which for earlier projects could have been more robust.

As a result of recommendations made in the Internal Audit report, management has now documented procedures and are developing an evaluation framework to better demonstrate project suitability, priority, interdependencies and programme progress.

The Strategic Commissioning Programme Board, one of three programme boards charged with governance over transformation, had not met by the time that the audit was completed, due to delays in recruiting key staff. There is a risk that this could jeopardise the timely delivery of the transformational projects which are within the remit of this Programme Board and it has been agreed that it will meet by the end of January 2018.

Detailed dashboards are presented to each of the Boards as appropriate but they do indicate where there are interdependencies between projects either within a Board's remit or between them. Without this information there is a risk that any delays may impact on other projects without appropriate mitigating action being taken. For future projects a Transformation Programme Review Group has been established to identify such relationships between projects and programmes and the Service has agreed to ensure that interdependencies are clearly identified for the benefit of Programme Managers and Project Staff.

The Programme Dashboards contain £13.6 million of intended transformational projects as well as un-costed ideas for future consideration. Some projects relate to the provision of existing services or continuous improvement rather than to the costs of transforming these. This could detract from focus on the Programme's objective to transform service delivery and funding mainstream activity from transformational funds is also unlikely to be sustainable. The Service has agreed to review the content of programme dashboards to ensure that effort and expenditure is focused on transformational projects.



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Reports to Committee show that costs are not being included in programme dashboards timeously and is based on defrayed expenditure only. As a result, the reported spend figures gave a limited indication of committed spend. The Service has noted that new file sharing facilities have been implemented which have improved the efficiency of project finance monitoring and it has been agreed that the adoption of a commitment based accounting and reporting process will be considered to better reflect committed expenditure. The Service has also agreed to ensure that Committee reports provide sufficient detail of action, spend and progress to provide adequate assurance and enable challenge where necessary.

Management has given an assurance that all recommendations will be implemented by the end of March 2018.

### 3: Equalities, Financial, Workforce and Other Implications

**Equalities** – An equality impact assessment is not required because the reason for this report is for Committee to discuss, review and comment on the Internal Audit Plan for 2017/18 and there will be no differential impact, as a result of this report, on people with protected characteristics.

**Financial** – There are no financial implications arising directly from this report.

**Workforce** – There are no workforce implications arising directly from this report.

**Other** – There are no other implications arising directly from this report.

### 4: Management of Risk

**Identified risk(s):** The Internal Audit process considers risks involved in the areas subject to review. Any risk implications identified through the Internal Audit process are as detailed in the resultant report.

**How might the content of this report impact or mitigate the known risks:** Where risks have been identified during the Internal Audit process, recommendations have been made to management in order to mitigate these risks.



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5:	Recommendation
	<p>It is recommended that the Audit and Performance Systems Committee review, discuss and comment on the issues raised within this report.</p>